

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application.

Listing of Claims:

1. **(Previously Presented)** A method of dynamically optimizing customer retention for a web marketing site, comprising:
 - specifying a permissible defunct threshold;
 - specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation;
 - determining a probability that a customer will become defunct after a predetermined period of time has occurred since the last interaction of that customer with the web site; and
 - providing a promotion selected from the set of promotions to a customer if the probability that the customer will become defunct after the predetermined period of time has occurred since the last interaction of that customer with the web site is greater than the permissible defunct threshold;
- wherein the threshold is dependent upon an operator's choice of which economic value to maximize.

2. **(Previously Presented)** The method of claim 1, further comprising
maintaining a sample population that includes characteristics associated with
customers that have interacted with the web site; and

segmenting the sample population based on a characteristic of the customers
sampled.

3. **(Original)** The method of claim 2, wherein the characteristic is an amount
that the customers spent at the web site in the past.

4. **(Original)** The method of claim 1, wherein the last interaction includes
accessing the web site.

5. **(Original)** The method of claim 1, wherein the last interaction includes
making a purchase from the website.

6. **(Original)** The method of claim 1, wherein the selection of provided
promotion is based upon maximizing predetermined criteria by optimizing an amount of
discount offered in the promotion.

7. **(Original)** The method of claim 6, wherein optimizing is performed
continuously.

8. **(Original)** The method of claim 6,
wherein optimizing includes sampling responses received from customers that are
offered promotions of varying amounts; and

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optimizing the promotion amount provided to other customers based on the optimum promotion amount discovered in the sample.

9. **(Original)** The method of claim 1, wherein data related to whether a customer has interfaced with the web site is stored in the database.

10. **(Original)** The method of claim 1, wherein an amount spent by a customer is stored in a database.

11. **(Original)** The method of claim 9, wherein a customer is segmented for random sampling based on the amount spent by that customer.

12. **(Original)** The method of claim 6, wherein the predetermined criteria is profit.

13. **(Previously Presented)** A program storage device readable by machine, tangibly embodying a program of instructions executable by the machine to perform method steps for dynamically optimizing customer retention for a web marketing site, said method comprising the steps of:

specifying a permissible defunct threshold;

specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation;

determining a probability that a customer will become defunct after a predetermined period of time has occurred since the last interaction of that customer with the web site; and

providing a promotion selected from the set of promotions to a customer if the probability that the customer will become defunct after the predetermined period of time has occurred since the last interaction of that customer with the web site is greater than the permissible defunct threshold;

wherein the threshold is dependent upon an operator's choice of which economic value to maximize.

14. (New) The method of claim 1 wherein the step of specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation further comprises sampling data to obtain information about current market conditions.

15. (New) The method of claim 1 wherein the step of providing a promotion selected from the set of promotions comprises proactively offering promotions to customers via email messages.

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16. (New) The method of claim 1 wherein the step of specifying a permissible defunct threshold comprises selecting a defunct threshold so as to minimize the cost of customer retention.

17. (New) The program storage device of claim 13 wherein the step of specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation further comprises sampling data to obtain information about current market conditions.

18. (New) The program storage device of claim 13 wherein the step of providing a promotion selected from the set of promotions comprises proactively offering promotions to customers via email messages.

19. (New) The program storage device of claim 13 wherein the step of specifying a permissible defunct threshold comprises selecting a defunct threshold so as to minimize the cost of customer retention.